

# Town of Frederick Board of Trustees



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AM 2009-071

## TO APPROVE A LEASE AGREEMENT WITH HALLECK HOLDINGS, LLC FOR THE TOWN'S USE OF VACANT LOTS ADJACENT TO THE PUBLIC WORKS BUILDING

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**Agenda Date:** Town Board Meeting - August 11, 2009

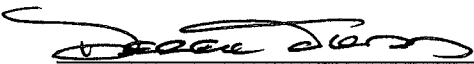
**Attachments:**

- a. Proposed Lease Agreement
- b. Letter to Mr. Michael E. Halleck dated April 22, 2008
- c. Vicinity map

**Fiscal Note:** The monthly rate proposed by Halleck is \$1,500 per month

  
Finance Director

**Submitted by:** Richard Leffler, P.E.  
Town Engineer

**Approved for Presentation:**   
Town Administrator

**AV Use Anticipated** Projector \_\_\_\_\_ Laptop \_\_\_\_\_

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**Certification of Board Approval:**

\_\_\_\_\_  
Town Clerk

\_\_\_\_\_  
Date

**Summary Statement:**

The Town has for many years used property that the Town does not own located to the north and east of the Town Public Works Shop. This vacant property is owned by Halleck Holdings, LLC who has verbally consented to the Town's use of the property at no cost to the Town and who would like to formalize this arrangement. The attached lease agreement sets forth the terms of the Town's continued use of the property.

**Detail of Issue/Request:**

The Town of Frederick purchased Lot 9 of Halleck Subdivision in March of 1999 and purchased an additional parcel of land described as Lot 7A plus the western 15 feet of Lot 8 in July of

2002. The Town's Public Works Shop is located on this land along with material and equipment stored north of the building. Some of the Town's material and equipment extends north onto vacant property which is owned by Halleck Holdings, LLC. The Town also has used vacant Halleck Holdings property to the east of the building for the Town's annual clean-up day activities. Halleck Holdings has consented to these uses and agrees to allow them to continue as long as they have no need for the land or are not in the process of selling or developing the property. However, Halleck Holdings would like to formalize this use in an agreement that would indemnify them from liability resulting from the Town's use of the property and has requested payment of \$1,500 per month. There has been no charge for the Town's use of the property in the past. There were certain commitments made by the Town at the time the property for the shop building was purchased from Halleck. One of these commitments was that the Town would prepare and process a replat to reconfigure the parcels purchased by the Town and the remaining parcels owned by Halleck Holdings as specific lots with access roads that could serve this area. The attached letter to Mr. Michael E. Halleck dated April 22, 2008, was presented to the Board for review in May 2008. It explains in more detail the proposed access to this area along with clarification of how storm drainage, sidewalks and associated improvements would be handled. The commitments discussed in the letter were confirmed by staff through review of previous correspondence and discussions with Town staff involved in the Town's purchase of the land. The attached lease agreement satisfies some of these commitments as well as formalizes the Town's continued use of Halleck Holdings property.

#### **Legal/Political Considerations:**

The attached Lease Agreement was drafted by Town Attorney Rick Samson based on input from staff.

#### **Alternatives/Options:**

Not enter into a lease with Halleck Holdings, LLC and discontinue the use of the property in question. It is staff's opinion that it would be beneficial to the Town to enter into the lease and to clarify this arrangement.

#### **Financial Considerations:**

These lease payments were not anticipated at the time the 2009 budget was prepared. Since most of the leased land is used for street related material and equipment it is proposed that the lease payments for 2009, if approved, would be paid using money budgeted in the construction line item of the Street and Alley Funds.

#### **Staff Recommendation:**

Approve the attached Lease Agreement with Halleck Holdings, LLC and authorize the Mayor to sign the lease.